COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 2, 1993

COMMONWEALTH
OF VIRGINIA

At the relation of the

STATE CORPORATION
COMMISSION

v. CASE NO. INS930072

NATIONAL HOME
INSURANCE COMPANY
(A Risk Retention Group),
Defendant

ORDER GRANTING MOTION
FOR TEMPORARY INJUNCTION

ON A FORMER DAY came the Bureau of Insurance ("Bureau"), by counsel, and filed with Clerk of the Commission a Motion for Temporary Injunction; and

THE COMMISSION, having conducted a hearing on the Motion for Temporary Injunction where the Commission heard testimony and received evidence from both the Bureau and Defendant, is of the opinion and finds that Defendant is financially impaired and that Va. Code § 38.2-5103.8.b specifically prohibits the solicitation or sale of insurance by, or operation of, a risk retention group in the Commonwealth of Virginia that is in hazardous financial condition or is financially impaired;

THEREFORE, IT IS ORDERED that pursuant to Va. Code §§ 38.2-220, 38.2-5103.8.b, 38.2-5110, and 15 U.S.C.S. § 3902(e)(2), Defendant be, and it is as of June 30, 1993, temporarily enjoined from issuing any new policies or any new

certificates or other evidences of coverage in the Commonwealth of Virginia until Defendant restores its surplus to the minimum amount required by its state of domicile, with the exception that: (i) Defendant may issue a certificate or other evidence of coverage if it has received a notification of start and a deposit premium on or before June 30, 1993; or (ii) Defendant may issue a certificate or other evidence of coverage if a member builder obtained a building permit on or before June 30, 1993, and the company receives a notification of start and a deposit premium prior to September 1, 1993.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Robert E. Dungan, Esquire, 33 Page Avenue, Suite 200, Asheville, North Carolina 28801, Counsel for Defendant; C. William Waechter, Jr., Esquire, Williams, Mullen, Christian & Dobbins, P.O. Box 1320, Richmond, Virginia 23210-1320, Counsel for Defendant; and the Bureau of Insurance in care of Deputy Commissioner Alfred W. Gross.